Congress of the United States House of Representatives

Washington, DC 20515

November 4, 2021

President Joseph R. Biden The White House 1600 Pennsylvania Ave, N.W. Washington, D.C. 20500

Dear President Biden:

Since taking office, your administration has relentlessly pursued policies designed to make energy less available and more expensive in the United States, particularly domestically produced oil and gas. We are writing to ask you to reverse course to blunt the continued rise of energy prices as they hit unacceptable levels hurting both families and American businesses who are already struggling with staggering inflation and supply shortages.

Energy policies of your administration, including your multiple Executive Orders, directly impact energy costs by reducing supply and signaling to markets an intent to further constrain supply and make production more expensive. Markets respond to actions and energy has become more expensive. Without an immediate change of direction from your administration, this winter American families are going to see huge spikes in utility bills, increased pain at the pump, and even further inflation impacting the cost of almost all goods and services.

Whether heating a home or fueling a vehicle, every family is impacted by the cost of energy. If your "Build Back Better" proposal becomes law, it will further exacerbate the problem as utility rates will increase even more, the price of gasoline will rise, inflation will worsen, and tax hikes on energy will flow directly to all Americans. Despite your pledge to the American people that only those making more than \$400,000 will bear the cost of Build Back Better, the truth is different – every American will pay the costs of your plan and those who can least afford it will be hit the hardest.

We have consistently been warning of this outcome since the Executive Order you signed on Inauguration Day in January.¹ That Executive Order required actions to reduce American oil and gas production as well as make it more expensive to produce and transport. This was followed in February with another Executive Order that said: "the government shall pause new oil and natural gas leases on public lands or in offshore waters."² Once again, sending market signals of further

¹ https://www.whitehouse.gov/briefing-room/presidential-actions/2021/01/20/executive-order-protecting-public-health-and-environment-and-restoring-science-to-tackle-climate-crisis/

 $^{2\} https://www.whitehouse.gov/briefing-room/presidential-actions/2021/01/27/executive-order-on-tackling-the-climate-crisis-at-home-and-abroad/presidential-actions/2021/01/27/executive-order-on-tackling-the-climate-crisis-at-home-and-abroad/presidential-actions/2021/01/27/executive-order-on-tackling-the-climate-crisis-at-home-and-abroad/presidential-actions/2021/01/27/executive-order-on-tackling-the-climate-crisis-at-home-and-abroad/presidential-actions/2021/01/27/executive-order-on-tackling-the-climate-crisis-at-home-and-abroad/presidential-actions/2021/01/27/executive-order-on-tackling-the-climate-crisis-at-home-and-abroad/presidential-actions/2021/01/27/executive-order-on-tackling-the-climate-crisis-at-home-and-abroad/presidential-actions/2021/01/27/executive-order-on-tackling-the-climate-crisis-at-home-and-abroad/presidential-actions/2021/01/27/executive-order-on-tackling-the-climate-crisis-at-home-and-abroad/presidential-actions/2021/01/27/executive-order-on-tackling-the-climate-crisis-at-home-and-abroad/presidential-actions/2021/01/27/executive-order-$

supply constraint despite continued growth in demand. Just this month, your own Department of Energy released long-term energy demand projections that showed in some cases global demand for natural gas and oil increasing up to 60 percent over the next 30 years.³ In fact, every scenario modeled by your administration shows continued growth in demand both domestically and globally throughout the entire period modeled (2020-2050). Reduced supply with increased demand equals higher prices.

With an almost religious fervor from political appointees, your administration has continued its attack on American energy, often in favor of oil and gas produced overseas by adversarial nations. Each action compounding the financial pain for American families. In addition to actions that increase the cost of energy, you have also advocated for policies that would explicitly prevent the DECREASE of energy costs for American families. For example, your budget request to Congress included as a key objective to not fund any fossil fuel work that "lowers the cost of consumption." In other words, a top priority of the Biden Administration is to NOT reduce energy costs for American families.

Your administration has claimed that these actions are necessary to reduce the risk of climate change. However, these actions are counterproductive to reducing global emissions and protecting American jobs. A Senate Democratic climate change report⁵ released last summer foretold as much when it noted:

"We (Democrats) institute domestic decarbonization policies that increase overall production costs." The report further notes that, "This will not only lead to an increase in total global emissions, but also the outsourcing of American jobs."

Instead of taking steps to mitigate the outsourcing of American jobs and increasing of global emissions, you and Congressional Democrats have doubled down on this destructive path. The results are taking shape consistent with the Senate Democratic report. The increasing price of natural gas has resulted in increased emissions both at home and globally. This month, the U.S. Energy Information Administration at the Department of Energy noted such:

"The U.S. electric power sector has been generating more electricity from coal-fired power plants this year **as a result of significantly higher natural gas prices** and relatively stable coal prices. This year, 2021, will yield the first year-over-year increase in coal generation in the United States since 2014."

As a result of innovation in the oil and gas sector, domestically produced natural gas has been the primary factor in the U.S. reducing carbon dioxide emissions significantly more than any other nation in the world. The head of the International Energy Agency recognized this achievement noting that "the emissions reduction in the United States has been the largest in the history of energy." Given that low priced natural gas resulted in historic emissions reductions, it should be no surprise that higher natural gas prices are resulting in increased emissions today.

³ <u>https://www.eia.gov/outlooks/ieo/tables_side_pdf.php</u>

⁴ https://www.whitehouse.gov/wp-content/uploads/2021/05/coe_fy22.pdf

⁵ https://www.schatz.senate.gov/imo/media/doc/SCCC_Climate_Crisis_Report.pdf

⁶ https://www.eia.gov/todayinenergy/detail.php?id=49996

⁷ U.S. Department of Energy. (2019, February 28). Global Energy Markets Update. https://www.youtube.com/watch?v=ZtrG5zhPrAE

By limiting the availability of U.S. produced natural gas in the global market, you are also ceding market share to Russia resulting in even higher global emissions and eroding national security. Russian natural gas exported to Europe has a greenhouse gas emissions profile 41 percent higher than US liquefied natural gas (LNG) exported to Europe.⁸ If Europe simply switched its current supply of natural gas from Russia to LNG imported from the United States, global emissions would decrease by approximately 70 million tons each year. Instead of recognizing this fact and responding logically to reduce Europe's dependence on Russian natural gas and lowering global emissions, you did the opposite. By greenlighting the Nord Stream 2 pipeline to move MORE Russian gas into Europe, coupled with policies to reduce the availability of American produced natural gas in the global market, your actions will result in continual increased global emissions and global dependence on Russian energy.

In truth, the approach embraced by the far left and carried out by your administration appears to have more to do with an anti-American fossil agenda and a desire to restructure the American economy than it does with climate change. We are reminded of the words of Rep. Alexandria Ocasio Cortez former chief of staff in describing the real motivation of the Green New Deal:

"The interesting thing about the Green New Deal, is it wasn't originally a climate change thing at all... [W]e really think of it as a **how-do-you-change-the-entire-economy** thing" 9

We respectfully request you reverse course on policies, Executive Orders, and regulations that are hurting American families at an ever-increasing rate. It is important that you act now as absent substantive action, Americans will soon be facing astronomical energy prices in the cold of winter. The American people deserve better.

Sincerely,

Garret Graves Member of Congress Dan Crenshaw Member of Congress